

INFORMATION REPORT

COUNTRY French Somaliland **CONFIDENTIAL**

SUBJECT Exchange Rates and Monetary Plans
in French Somaliland

DATE DISTR. 13 May 1948

NO. OF PAGES 2

PLACE
ACQUIREDNO. OF ENCLS.
(LISTED BELOW)

DATE OF INFO

SUPPLEMENT TO
REPORT NO.

- 25X1X 1. The following rates of exchange between Djibouti francs and foreign currency and drafts were in existence as of 15 April 1948:

Official Rate		Black Market Rate	
1.00 \$US	equals 126.11 Djib. Francs	1.00 \$US	equals 240-260 Djib. Fr.
1/0/0 £S	" 510 " "	1/0/0 £S	" 750-820 " "
1.00 ShEA	" 25 " "	1.00 ShEA	" 46 " "
1.00 \$Eth	" 50 " "	1.00 \$Eth	" 92 " "

2. The total volume of US\$ transactions on the black market in Djibouti is in the vicinity of \$10,000.00 per month.
3. £S 1/0/0 now brings but Rs. 11.0.0, as compared with the official rate of Rs. 13.33 in Aden. This reflects the popular belief that Great Britain will soon be forced to devalue the pound sterling.
4. Djibouti exchange regulations require remittances of dollars for personal uses to be purchased by the Banque d'Indo-Chine on the open market in Paris. Each dollar thus bought costs Djibouti Francs 184.00.
5. The French devaluation decree reduced the franc of Djibouti from 70 per \$US to 126.11 (80%). The cost of foodstuffs in Djibouti rose 80% on the day following announcement of this devaluation.
6. An independent franc for Djibouti has been approved by the French Cabinet and may be passed by the Chamber of Deputies within two or three months. The measure now is awaiting decision on who shall introduce it to the Chamber. It was at first decided to tie it to the U.S. dollar, but since French Somaliland has no trade with the U.S., this would require purchase of the necessary reserves on the open market at high prices. The final decision has been to peg it to the pound sterling, but fear of devaluation of this money causes uneasiness in Djibouti.

CLASSIFICATION **CONFIDENTIAL**

STATE #	X	NAVY	NSRB	DISTRIBUTION
ARMY		AIR		

Document No.

NO CHANGE in Class.

DECLASSIFIED

Class. CHANGED TO: TS

This document is hereby regraded to
CONFIDENTIAL in accordance with the
letter of 16 October 1978 from the
Director of Central Intelligence to the
Archivist of the United States.
Next Review Date: 2000

REFERENCE CENTER LIBRARY

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~
CENTRAL INTELLIGENCE AGENCY

-2-

25X1A

7. When the new Djibouti franc is adopted all exchange controls will be dropped and the colony will have no connection with the French budget, but will be required to become self-supporting.
8. It is expected that the Chamber of Deputies will pass a bill establishing Djibouti as a free port within two or three months. This is being done to cement good relations with Ethiopia and prevent her from actively seeking another seaport as well as to take away some of Aden's forwarding and processing business.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~